INSIGHTS

UAE uncertainty, UK tax exposure, and the relocation questions internationally mobile families should be asking now

The outbreak of conflict involving the US, Israel and Iran on 28 February 2026, and the wider instability that has followed across the region, has prompted many individuals and families living in the UAE to reassess their position.

9 MARCH 2026
WRITTEN BY
Scott Homewood
+44 (0)2079 522 921
shomewood@tridenttax.com

The conflict began with coordinated US-Israeli strikes on Iran on 28 February, and that it has since widened, affecting the Gulf more broadly and disrupting normal assumptions around regional stability.

For many internationally mobile families, the question is no longer simply whether the UAE has been an effective base. It is whether, in light of recent events, they should remain where they are, relocate elsewhere, or return to the UK — and what UK tax consequences may follow from that next step, even if the relocation is only temporary.

That is not a question to answer casually.

The UK tax analysis does not begin and end with the original move overseas. The more immediate issue is whether a further move can be made without creating avoidable UK tax exposure. For some, the principal risk is that UK residence may never have been broken cleanly in the first place. For others, the risk lies in returning to the UK too soon after a period of non-residence in which gains were realised, value was extracted, or wider restructuring took place.

TRIDENT TAX

A change in geography can happen relatively straightforwardly. A definitive tax position is more complex to achieve.

Trident Tax is a boutique, independently owned and managed UK tax advisory practice supporting HNW and UHNW clients and their advisers with UK private client and international business tax. We advise on UK tax and coordinate with local legal and corporate advisers where required.

Our advice is defined by our knowledge and refined by our experience.

The question has become wider than relocation

For some families, remaining in the UAE may still be the right answer. For others, current events may now be driving a genuine reassessment. In either case, the real question is no longer just where to live. It is whether the UK tax position has been tested properly before any decision is made.

That review often needs to cover:

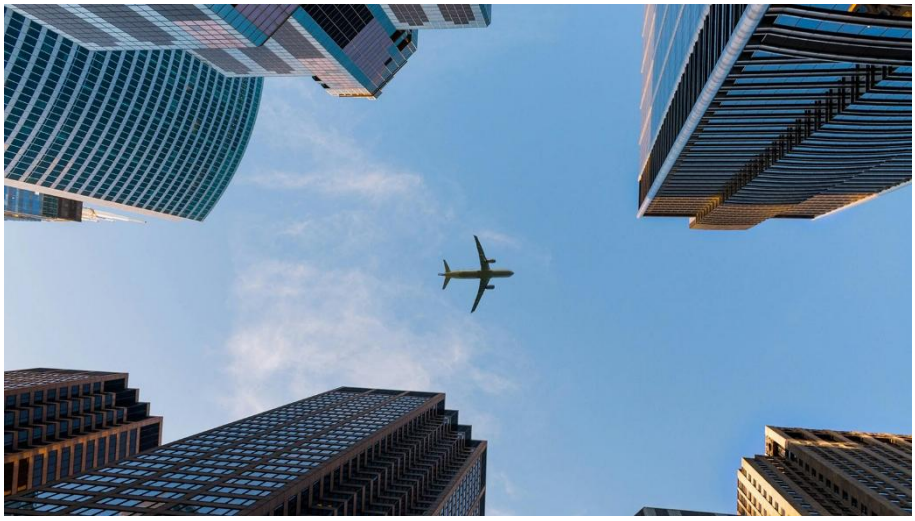
- whether UK residence was broken effectively under the Statutory Residence Test;
- whether non-UK residence has been maintained in a way that is both defensible and evidenced;
- whether gains, dividends or value extraction undertaken while abroad could come back into charge if the individual returns to the UK;
- whether business governance and control have genuinely moved, or remain too closely connected to the UK;
- whether succession planning still works if the family's residence pattern changes again; and
- whether the UK itself may now be a relevant option for certain non-UK individuals who qualify for the four-year Foreign Income and Gains regime.

In other words, what is often needed is not simply relocation advice, but a proper residence and exposure review.

Why this matters now

Periods of instability have a habit of forcing decisions that might otherwise have been deferred. Families with school-age children may suddenly reassess where they want to be based. Entrepreneurs may look again at where management decisions are being taken. Business owners may want flexibility in case they need to move themselves, their family, or part of their operating structure at short notice.

That is precisely when expensive tax mistakes are most easily made.



The UK's tax residence rules are not determined solely by broad intention. They are tested under the Statutory Residence Test, which applies on a tax year by tax year basis and looks at a range of factors including days spent in the UK, work patterns, accommodation, family connections and other ties. It is possible for an individual to assume they have "left the UK" from a practical point of view while still retaining a UK tax position that is more complicated than expected.

That distinction matters more, not less, when circumstances change quickly.

The risk many returning expats overlook

One of the most commonly misunderstood points in this area is that the tax analysis is not necessarily complete once an individual becomes non-UK resident.

Where someone left the UK, became non-UK resident, and then sold a business, realised gains, or extracted value while abroad, a later return to the UK may require very careful review. In some cases, the UK's temporary non-residence rules can bring certain gains back into charge in the year of return.

This can be particularly important for:

- founders who left the UK and sold shares while abroad;
- business owners who extracted value after departure;
- individuals who undertook planning on the assumption that non-residence alone settled the position; and
- families who may now be considering a return to the UK for commercial, family or geopolitical reasons.

The point is not that a return to the UK is necessarily problematic, it is that the return position needs to be reviewed properly before steps are taken.

Tax residence is about evidence as much as intention

This is where many cases become more nuanced.

A non-UK residence position often depends not only on the number of days spent in the UK, but on whether the wider factual matrix supports the position being taken. That can include travel records, work patterns, board minutes, family arrangements,

accommodation usage, and evidence of where substantive decisions are in fact made. HMRC's guidance is clear that residence is assessed by reference to the statutory framework and the facts of the relevant tax year, not by broad narrative alone.

Day counting therefore still matters greatly. In practice, many individuals focus on the headline number of UK days without giving enough attention to the surrounding ties that can alter the outcome under the Statutory Residence Test. A return to the UK, even for understandable reasons, can change that picture quickly if day counts begin to rise at the same time as family, accommodation or work ties remain in place.

Days spent in the UK because an individual is prevented from leaving due to **exceptional circumstances** can in some cases be ignored for SRT purposes, subject to a limit of **60 days** in a tax year. HMRC's guidance refers in this context to Foreign and Commonwealth Office advice and notes that there may be circumstances, such as civil unrest or natural disaster, where official advice is to avoid all travel to a region, and that individuals who return to and remain in the UK while that level of warning remains in place would normally have days spent in the UK ignored, subject to that 60-day cap.

The current FCDO position is itself a moving target: as at **6 March 2026**, GOV.UK is showing a warning **against all but essential travel to the United Arab Emirates**, with further Middle East travel advice updates issued in recent days.

HMRC's interpretation of exceptional circumstances is strict and it is a complicated and highly fact-sensitive topic on which clients should take advice before assuming the concession applies. For those who were already in the UK when the conflict broke out or have returned to the UK since then, we would not recommend relying on it without careful analysis. Even where the conditions for exceptional circumstances appear to be available in principle, the **60-day limit** is unlikely to resolve the position for individuals or families who may now be considering a more durable move, particularly if official warnings remain in place for a prolonged period or the wider conflict continues or escalates.

In those cases, the more important exercise is usually to review the UK residence position properly rather than assume that the exceptional circumstances rules will provide a complete answer.

Unfortunately, the precedent of HMRC's policy on exceptional circumstances during the COVID 19 crisis is not helpful; the 60 day limit was not extended despite overseas visitors being unable to leave the UK for much longer periods than this.

Most importantly, tax should not be allowed to obscure the obvious human point. If individuals are genuinely concerned for their safety or the safety of their family, that

concern comes first. The fact that the UK tax treatment may be uncertain is not a reason to remain in an unsafe situation. It is, however, a reason to recognise that once immediate safety has been addressed, the residence and return position may need urgent review.

The UK may also be relevant for some non-UK individuals

There is another side to this discussion.

Only a small minority of those currently based in the UAE moved there from the UK. Most are non-UK individuals with broader international family or business interests who may now be reconsidering their medium-term base in light of regional developments.

For certain individuals in that category, the UK may deserve closer attention than many assume. From **6 April 2025**, the UK moved to a residence-based system for foreign income and gains (the 4 year FIG regime). Individuals who come to the UK after a period of at least **10 consecutive tax years of non-UK residence** are able to claim a full exemption from UK taxation on foreign income and gains arising during their first **4 years of UK residence**.

That does not make the UK automatically attractive, and it certainly does not remove the need for careful planning. Eligibility, timing, family residence positions, remittance decisions, structuring, and longer-term exposure all still need to be reviewed properly. But it does mean that the UK may now form part of the conversation for some internationally mobile clients in a way that should not be dismissed without analysis.

Since Brexit, onward relocation is not always straightforward

For British nationals especially, moving from the UAE to Europe is not always a quick or straightforward solution. In practice, onward relocation may require immigration advice, local legal input, employment or business structuring, and meaningful lead times.

However, certain jurisdictions may be easier than others to evaluate at speed.

Ireland is an obvious example. For many British families, it is often more practical culturally and logistically than a move into continental Europe, and from a tax perspective it can be more nuanced than is sometimes assumed.

Ireland continues to distinguish between residence and domicile, and the Irish Revenue confirms that an individual who is Irish tax resident but not Irish domiciled may, in the appropriate circumstances, be taxable on foreign income and gains on the **remittance basis** rather than on a full arising basis. That does not make Ireland a simple substitute for the old UK non-dom regime, and care is needed around Irish-

source income, remittances, domicile issues and longer-term exposure. But it does mean Ireland may deserve consideration in the right case.

Gibraltar may also be relevant for some British families looking for a jurisdiction that is familiar, English-speaking and comparatively quick to assess. However, it should not be portrayed as frictionless.

Gibraltar has official residence and special tax regimes for qualifying individuals, including Category 2 / HNWI status, under which assessable income is capped at **£118,000** for tax purposes, with a stated minimum annual liability of **£37,000**. That may make Gibraltar attractive in some high-net-worth scenarios, particularly for those looking for a lower-tax environment than the UK while retaining a British-facing legal and lifestyle framework.

But Gibraltar comes with practical limitations. Long-term relocation is still subject to local residence requirements, the housing market is competitive, and the question is not purely tax-driven. Availability of suitable accommodation, speed of obtaining the right status, schooling, family logistics and the practical realities of living on the Rock all need to be examined carefully. It is better presented as a potentially useful option for some families, not a universal emergency solution.

Against that backdrop, hurried decisions remain dangerous. Families may feel understandable pressure to create optionality quickly, but the range of genuinely workable destinations may be narrower than first assumed. Tax analysis therefore needs to sit alongside immigration, business, legal and family planning from the outset.

What internationally mobile families should be reviewing now

Initially, many families do not need a generic recommendation for or against any one jurisdiction. Instead, they need a clearer understanding of their UK exposure before the next move is made.

In practice, that often means reviewing:

- residence status under the Statutory Residence Test;
- day counts, work patterns and supporting evidence;
- temporary non-residence and return risk;
- business structuring, governance and value extraction;
- succession planning and longer-term family objectives; and
- whether the UK now presents an inbound opportunity for any family members who are not long-term recent UK residents.

Clarity before action

The current regional backdrop has not created UK tax risk by itself. Rather, it will accelerate decisions for people whose tax position may already have been more fragile, or more fact-sensitive, than they realised.

For internationally mobile families, the key issue is no longer simply whether the UAE remains the right base. It is whether the next step — staying put, relocating

elsewhere, or returning to the UK — has been tested properly for UK tax purposes before action is taken.

That is rarely a matter of broad assumptions. It is usually a matter of detail, timing, evidence and implementation.

THIS ARTICLE IS INTENDED AS GENERAL COMMENTARY ONLY. UK TAX OUTCOMES ARE HIGHLY FACT-SPECIFIC AND DEPEND ON RESIDENCE, TIMING, STRUCTURING AND IMPLEMENTATION. ADVICE SHOULD BE TAKEN BEFORE ANY RELOCATION OR RETURN DECISION IS MADE.

Get in touch...

Scott Homewood
+44 (0)2079 522 921
+44 (0)7398 775 402
shomewood@tridenttax.com

Alan Kennedy
+44 (0)2079 522 921
+44 (0)7900 678 541
akennedy@tridenttax.com